



Milwaukee Industrial Market

Under Construction reaches record levels

The market continues to expand as the year progresses. For the year, the market has experienced 5.34 million square feet of absorption. 1.99 million square feet which occurred this past quarter. Most of the positive absorption can be attributed to Trifinity leasing 256,239 square feet in Pleasant Prairie and Wilo USA moving into a newly constructed 250,000 square foot facility in Cedarburg. The market is poised for more near-term growth as a record 9.29 million square feet is under construction. The capital market also showed a strong quarter, as Milwaukee Tool's 388,800 square foot leased warehouse in Menomonee Falls traded for \$48.25 million, Link Logistics sold three fully occupied properties for \$42.2 million and Quad Graphics preformed a \$33.0 million sale lease back at their 911,000 square foot West Allis facility.

Current Quarter Trends

The fourth quarter of 2021 had 1.99 million square feet of absorption. Over the past year the market has absorption of 5.34 million square feet. The overall vacancy rate fell 28 basis points to 3.02% from the prior quarter of 3.31%, a year ago it was 4.13%. The average net asking rate rose slightly for the quarter to \$4.48/SF from \$4.45/SF last quarter.

Current Conditions

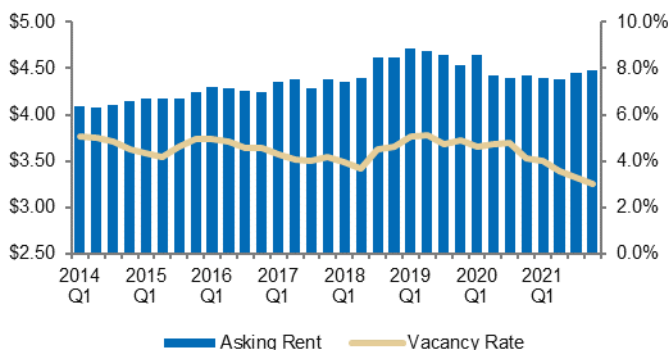
- Quarterly net absorption of 1,993,139 square-feet
- Overall availability rate of 5.6%
- Overall vacancy rate of 3.0%
- 9.29 million square-feet under construction
- 1.01 square-feet delivered this past quarter

Market Summary

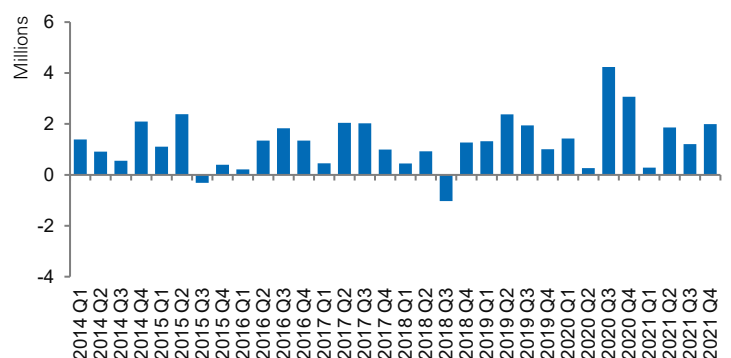
	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	313.8 M	312.1 M	310.2 M	↑
Vacancy Rate	3.0%	3.3%	4.1%	↑
Quarterly Net Absorption (SF)	1.99 M	1.21 M	3.07 M	←
Average Asking Rent/SF	\$4.48	\$4.45	\$4.42	↑
Under Construction (SF)	9.29 M	6.62 M	2.23 M	←

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION



Leasing Transactions

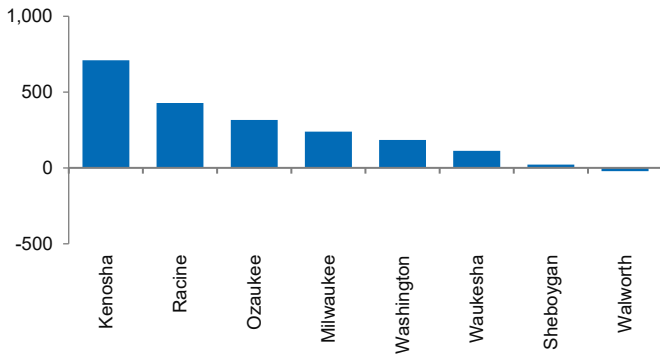
Tenant	Address	Submarket	Type	Square Feet
SC Johnson	11101 Enterprise Way	Racine	Warehouse	396,716
Great Lakes Warehouse	4200 39th Ave	Kenosha	Warehouse	321,061
Trifinity	8505 100th St	Kenosha	Warehouse	256,239
Confidential Tenant	7025 W Parkland Ct	Milwaukee	Manufacturing	230,751
Haribo	9655 136th Ave	Kenosha	Warehouse	157,656

Sale Transactions

Address	Submarket	Type	Sale Price	Square Feet
N58W15350 Shawn Cir	Waukesha	Warehouse	\$48.25 Million	388,800
Link Logistics Portfolio (3)	SE Wisconsin	Warehouse	\$42.2 Million	495,757
11000 W Theo Trecker	Milwaukee	Manufacturing	\$36.22 Million	911,000
4200 39th Ave	Kenosha	Warehouse	\$14.4 Million	321,061
Luterbach Portfolio (2)	Waukesha	Warehouse	\$13.0 Million	97,890

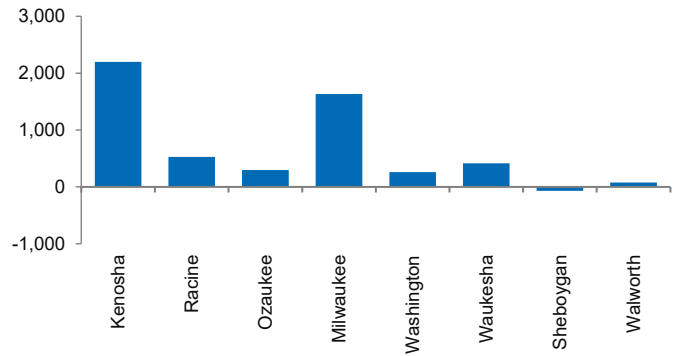
Quarterly Absorption By Submarket

Absorption (SF) In Thousands, Current Quarter



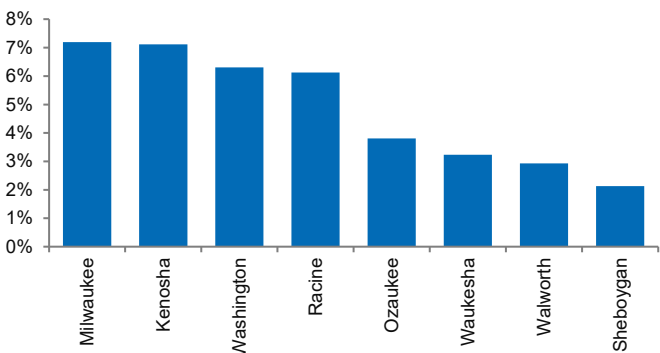
Yearly Absorption By Submarket

Absorption (SF) In Thousands, Last Four Quarters



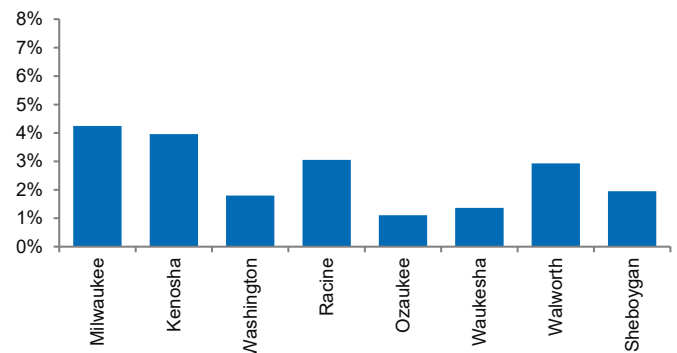
Availability By Submarket

Availability Rate (%)



Vacancy By Submarket

Vacancy Rate (%)



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Submarket Statistics						
	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)
Kenosha	37,216,397	4,982,803	7.1%	4.0%	710,131	2,199,068
Flex	404,656	0	23.7%	3.2%	1,078	138
Manufacturing	5,284,140	749,900	4.9%	4.8%	215,528	217,618
Warehouse	31,527,601	4,232,903	7.3%	3.8%	493,525	1,981,312
Milwaukee	117,442,295	1,208,868	7.2%	4.2%	239,443	1,633,054
Flex	13,626,483	0	6.2%	1.7%	117,936	250,326
Manufacturing	54,122,818	957,462	5.9%	3.8%	140,912	615,807
Warehouse	49,692,994	251,406	8.8%	5.5%	(19,405)	766,921
Ozaukee	11,529,775	125,000	3.8%	1.1%	316,132	296,226
Flex	2,318,134	0	7.2%	2.0%	0	(35,174)
Manufacturing	6,833,659	125,000	3.9%	1.2%	316,132	319,185
Warehouse	2,377,982	-	0.3%	0.0%	0	12,215
Racine	31,076,041	1,120,092	6.1%	3.1%	428,720	527,441
Flex	851,807	0	4.1%	4.1%	(17,816)	(17,816)
Manufacturing	17,290,950	330,000	4.2%	4.0%	(7,828)	72,254
Warehouse	12,933,284	790,092	8.8%	1.8%	454,364	473,003
Sheboygan	15,123,911	155,000	2.1%	2.0%	22,454	(67,916)
Flex	275,087	0	1.8%	1.8%	22,454	32,079
Manufacturing	4,754,224	155,000	3.0%	2.9%	0	7,000
Warehouse	10,094,600	0	1.7%	1.5%	0	(106,995)
Walworth	11,776,575	0	2.9%	2.9%	(21,177)	77,453
Flex	506,968	0	0.0%	0.0%	1,000	0
Manufacturing	6,668,463	0	0.9%	0.9%	36,775	55,775
Warehouse	4,601,144	0	6.2%	6.2%	(58,952)	21,678
Washington	19,920,903	762,339	6.3%	1.8%	184,250	259,813
Flex	2,242,349	0	2.3%	1.2%	8,000	(18,250)
Manufacturing	8,749,137	112,737	1.4%	0.6%	176,250	274,930
Warehouse	8,929,417	649,602	12.1%	3.1%	0	3,133
Waukesha	69,695,611	938,719	3.2%	1.4%	113,186	414,542
Flex	6,232,176	0	4.2%	2.2%	(87,651)	(76,860)
Manufacturing	36,429,841	395,731	3.3%	1.0%	93,854	212,109
Warehouse	27,033,594	542,988	2.9%	1.6%	106,983	279,293
Metro Total	313,781,508	9,292,821	5.6%	3.0%	1,993,139	5,339,681

Economic Conditions

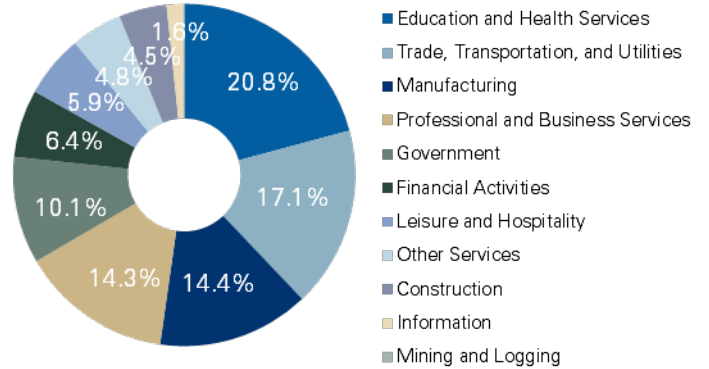
The Milwaukee seven-county region is known as “The Machine Shop of the World” and is the global market leader in advanced manufacturing, distribution, professional and financial services, green technologies and printing.

Milwaukee is a magnet for business. Affordable land and leasing, an educated workforce, low business costs and easy access to financing, technical assistance and efficient transportation help businesses locate, succeed and grow.

Milwaukee’s unemployment rate jumped to a high of 15.1% in April 2020 due to the response of the Covid-19 pandemic. The rate has since dropped to 2.2%, slightly less than the national average of 4.2%.

Employment by Industry

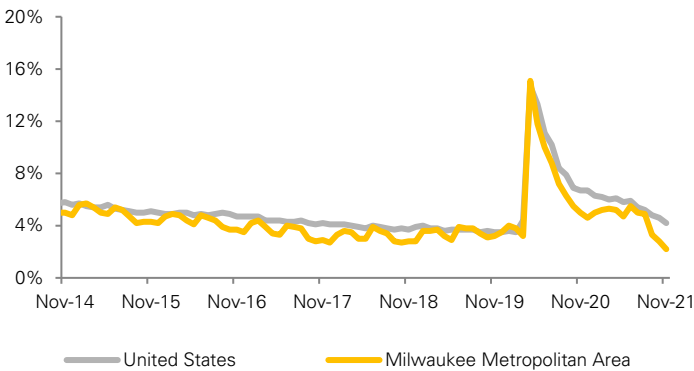
Milwaukee, WI November 2021



*Source: U.S. Bureau of Labor Statistics

Unemployment Rate

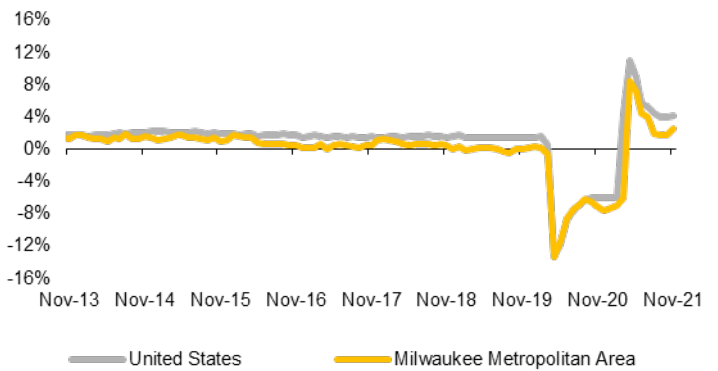
Not Seasonally Adjusted



*Source: U.S. Bureau of Labor Statistics

Payroll Employment

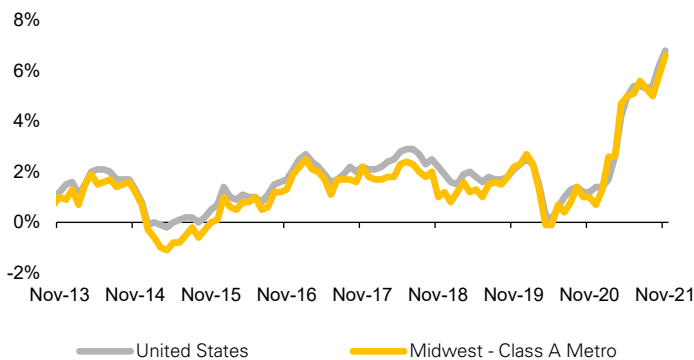
Total Nonfarm, 12-Month % Change, Not Seasonally Adjusted



*Source: U.S. Bureau of Labor Statistics

Consumer Price Index (CPI)

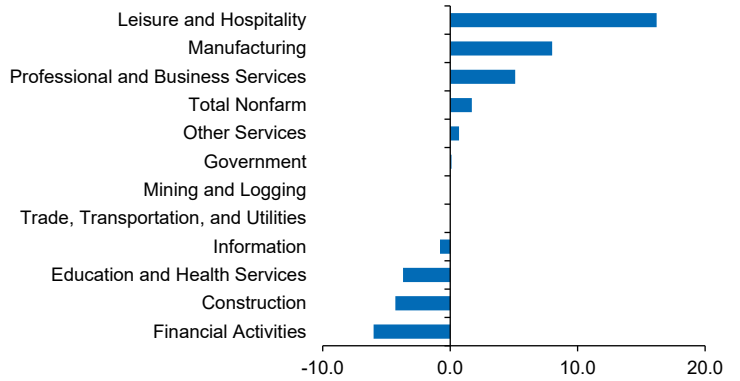
All Items, 12-Month % Change, Not Seasonally Adjusted



*Source: U.S. Bureau of Labor Statistics

Employment Growth By Industry

MKE, October 2021, 12-Month % Change, Not Seasonally Adj



*Source: U.S. Bureau of Labor Statistics

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/research.

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